



# Trans. Petroleum Reduction Policy

An informational webinar for Maryland's Smart Energy Communities

May 16, 2013 at 10 am

Hosted by the University of Maryland Environmental Finance Center and the Maryland Energy Administration

# Outline

- ▣ Review of Goals and Deliverables
- ▣ Baseline Development
- ▣ Policy Structure
- ▣ Petroleum Consumption Reduction Plan
- ▣ Procurement, Implementation, and Financing

# Petroleum Reduction Goal

***Reduce the baseline petroleum consumption of the local government's fleet by 20 percent within five years of the baseline year.***

***E.g. Baseline CY 2012 = 10,000 Gallons***

***Target CY 2017 = 8,000 Gallons***

# Deliverables

**DUE BY DECEMBER 31, 2013**

- Develop a baseline of fleet petroleum consumption.
- Pass a policy committing the local government to the petroleum reduction goal.
- Develop an Petroleum Consumption Reduction Plan (PCRP) to document plans for meeting the petroleum reduction goal.

# Baseline – What to include?

- ▣ Baseline petroleum consumption must include all on-road vehicles of the local government. These include:
  - ▣ **Busses** used for public transit
  - ▣ **Cars**, such as police cars and town owned cars
  - ▣ **Trucks**, such as maintenance trucks and dump trucks
  - ▣ **Vans**, such as community center vans or school vans
- ▣ Gasoline and diesel powered vehicles only
  - ▣ Exclude biofuels, CNG, electric and other fuels
  - ▣ Measured in gasoline-gallon equivalent (GGE); 1 gallon of diesel = 1.13 GGE
- ▣ This includes local government-owned vehicles AND contracted/leased vehicles

# Baseline – What not to include?

- This would not include motor driven vehicles not approved for use on the road. These include:
  - Lawnmowers and other grounds-related vehicles
  - Forklifts
  - Marine vehicles
  - Other off-road vehicles

# Baseline – Selecting a year

- ▣ Things to consider:
  - ▣ What is your most current year of complete data?
    - ▣ From community-owned fueling pump or receipts
  - ▣ What vehicles have been recently retired or acquired?
  - ▣ How many years do you need to meet the reduction goal?
  - ▣ 2010 is the earliest baseline year allowed
    - ▣ Requires community meet goal by end of 2015.
  - ▣ Preference is Calendar Year reporting.

# Baseline – Documentation Process

- What you'll need to complete baseline reporting:
  - Vehicle make, model and year
  - Purchase date
  - Fuel type used and annual gallons consumed
  - Annual miles driven
  - Vehicle purpose
- Communities can use MEA provided excel sheet to input fleet data or provide a report with the above data included to satisfy the baseline requirement.

# Baseline Example – CY 2012

Make	Model	Year	Purchase Date	Fuel Type	Gallons Consumed	Miles Driven	Vehicle Purpose
Honda	Civic	2008	3/2009	Gas	407	12,000	Code Enfor.
Dodge	Ram	2006	6/2007	Gas	480	11,500	DPW
Dodge	Ram	2002	6/2004	Dies	450 (509)	11,000	DPW
Ford	E-350	2007	5/2008	Gas	500	14,000	Dept. of Rec.
TOTAL FUEL CONSUMPTION (Gallons in GGE)					1,896		
TARGET FUEL CONSUMPTION (Gallons GGE)					1,516		

# Policy Structure

- The policy is to establish the **goal**
- The policy must include a minimum of a 20% reduction in petroleum consumption for vehicles within 5 years.
  - The goal may be more aggressive
- It is up to communities to determine which form of legislation is most suitable. Acceptable legislation includes:
  - Ordinances
  - Resolutions
  - Executive Orders
  - Others (please discuss with MEA)

# Petroleum Consumption Reduction Plan - Overview

- A PCRCP will provide a realistic path for implementation of fuel-saving improvements.
- At a minimum, the PCRCP is expected to include:
  1. Letters from the local government verifying PCRCP adoption
  2. Executive Summary with community characteristics, summary of fuel uses (baseline), and plans for reduction
  3. Detailed petroleum reduction plan with identification of measures sufficient to reach goal
  4. List of resources (websites, tools, etc.) used

# Petroleum Reduction Measures

- Eligible petroleum reduction measures include:
  - Reduced fleet size
  - Reduced vehicle use and miles driven
  - Idling reduction or carpooling initiatives
  - Smaller engine/more efficient vehicle replacements
  - Alternative fuel vehicles
- Use the Petroleum Reduction Planning Tool for other ideas and estimates on reductions and savings
  - <http://www.afdc.energy.gov/prep/>

# DOE Petroleum Reduction Planning Tool

more vehicles to each method.

## My Current Plan

**SET GOAL** CLEAR PLAN

Savings Methods		Petroleum Reduction gal/yr	GHG Reduction tons CO <sub>2</sub> /yr	Fuel Cost Savings \$/yr	Impact on Plan percent
<u>Replace Vehicles</u>	<b>ADD TO PLAN</b>	0	0	\$0	0%
<u>Use Alternative Fuel in Existing Vehicles</u>	<b>ADD TO PLAN</b>	0	0	\$0	0%
<u>Reduce Idling</u>	<b>ADD TO PLAN</b>	0	0	\$0	0%
<u>Reduce Mileage</u>	<b>ADD TO PLAN</b>	0	0	\$0	0%
<u>Drive Efficiently</u>	<b>ADD TO PLAN</b>	0	0	\$0	0%
<b>Total savings from plan per year</b>		<b>0</b> gallons	<b>0</b> tons of CO <sub>2</sub>	<b>\$0</b>	<b>100%</b>

LOG IN TO SAVE/VIEW PLANS

START NEW PLAN

**Annual Petroleum Reduction**

100 ———

75 ———

50 ———

25 ———

0 —●—

**Annual Greenhouse Gas Reduction**

10.0 ———

7.5 ———

5.0 ———

2.5 ———

0.0 ———

# Grant Funding Rules of Thumb

## GENERAL RULES OF THUMB

- In most cases, MEA can only pay for the incremental or premium cost of new vehicles. SEC grant funding can fully support infrastructure improvements or vehicle retrofits.
- Communities may access 20% of the SEC grant funding upon signing the grant agreement, but before completing the deliverables. This funding can be used to assist in passing policies and developing PCRP.

# Financing and Procurement

- Communities are encouraged to begin thinking about the procurement process now for transportation petroleum reduction measures.
- Procurement questions to consider:
  - Is the vehicle procurement process different when purchasing a non-conventional and potentially higher cost vehicle? (Projects must be installed and invoiced by May 2014)
  - From where will non-premium vehicle funds come?
  - If an infrastructure project is planned, how long will the procurement process take?

# Implementing PCRPs

- Designate responsibilities and communicate with both MEA/EFC and other Smart Energy Communities.
- Communities are expected to report their progress annually to MEA, which is an opportunity for additional assistance.
- Participants must show that they are making a good-faith effort to achieve the petroleum consumption reduction goal.

# Final Remarks

- Three deliverables by December 31, 2013. Make sure your timetable includes all three:
  - Baseline
  - Policy Adopted
  - Petroleum Reduction Plan
- Upcoming webinars:
  - May 29th: Low/Moderate Income Grant Guidelines
  - TBD: Energy Audits 101, Procurement, Financing

# Contact Information

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[energy.maryland.gov/Govt/SmartEnergyCommunities](http://energy.maryland.gov/Govt/SmartEnergyCommunities)

Thank you for attending!